



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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SRS Legal
Mumbai

Sir

We respectfully refer to the telephonic discussion we had with you a few days ago regarding the filing of an Additional Affidavit in the above matter with a request for an early hearing of the writ petition. Pursuant to our discussion, we have prepared a detailed note highlighting various legal and factual aspects which, in our respectful submission, establish the necessity of a structured and direct dialogue between the Indian Banks' Association (IBA) and recognized organisations representing bank retirees. The note also brings out the pivotal role played by IBA in determining and administering service conditions and retiral benefits of bank employees and retirees, while simultaneously declining to engage with retiree organisations on issues directly affecting their rights and interests. We request you to kindly examine the enclosed note and incorporate such of its contents as may be considered appropriate in the proposed Additional Affidavit to strengthen our case before the Hon'ble High Court.

NOTE ON THE STATUS, FUNCTIONS AND ACCOUNTABILITY OF THE INDIAN BANKS' ASSOCIATION (IBA) IN MATTERS RELATING TO BANK RETIREES

Background

1. The Indian Banks' Association (IBA) is an apex body comprising more than 450-member banks, including Public Sector Banks, Private Sector Banks, Foreign Banks, Urban Cooperative Banks, Financial Institutions and other banking entities operating in India.
2. Though the IBA describes itself as a voluntary and professional association of banks, in practice it performs several statutory and quasi-public functions affecting the service conditions and retirement benefits of nearly one million serving employees and several lakh retired employees of member banks.

3. The Management Committee of IBA consists of the Chief Executives and Managing Directors of major member banks, particularly Public Sector Banks, which are owned and controlled by the Government of India.

Functions Performed by IBA

4. IBA has been authorized by member banks to:
 - (a) Negotiate wage revisions and Bipartite Settlements with Workmen Unions.
 - (b) Negotiate and sign Joint Notes with Officers' Associations.
 - (c) Interpret settlements and issue clarifications binding upon member banks.
 - (d) Frame and circulate policies relating to Human Resources, service conditions, pension and retirement benefits.
 - (e) Represent member banks before Government, regulators and judicial forums.
 - (f) Advise the Government of India on banking reforms, HR policies and financial matters affecting the banking industry.
5. Successive Bipartite Settlements and Joint Notes executed by IBA have governed wages, pension, gratuity, leave encashment and other service conditions throughout the banking industry.

Peculiar Legal Position

6. Despite exercising enormous influence over **employment and retirement matters**, IBA consistently maintains that:
 - (a) **It is merely a voluntary association.**
 - (b) **It is not established under any statute.**
 - (c) **It has no legal obligation to consult organisations representing retired employees.**
 - (d) **It is not accountable to retirees.**

7. Simultaneously, IBA actively participates as a respondent in litigation filed by retired employees before various High Courts and the Hon'ble Supreme Court. It files affidavits, contests claims and advances legal arguments on behalf of member banks in matters concerning pension, medical insurance, gratuity, wage revision and other retiral benefits.

8. Thus, IBA assumes authority whenever it seeks to oppose retirees' claims before courts but disowns corresponding responsibility to engage with retirees during policy formulation or negotiations.

Public Character of IBA

9. Although IBA may not have been created by statute, its activities possess a clear public character because:

- (a) A substantial majority of banking business in India is conducted by Public Sector Banks.
- (b) Public Sector Banks are instrumentalities of the State under Article 12 of the Constitution.
- (c) These banks finance IBA through annual subscriptions and other contributions amounting to several crores of rupees over the years.**
- (d) Public funds are therefore utilized for maintaining an organisation that substantially influences employment and retirement policies affecting lakhs of employees and retirees.
- (e) Decisions negotiated through IBA are implemented uniformly by Public Sector Banks.

10. Consequently, IBA performs functions having significant public consequences and cannot selectively deny accountability while exercising collective authority on behalf of member banks.

Violation of Principles of Fairness

11. Retired employees constitute an **integral stakeholder** in matters relating to:

- **Pension**
- **Pension Updation**
- **Medical Insurance**
- **Family Pension**
- **Ex-gratia Schemes**
- **Welfare Measures**
- **Other post-retirement benefits**

12. Nevertheless, IBA has consistently refused to hold structured consultations with recognized national organisations representing bank retirees before taking decisions affecting their rights and legitimate expectations.

13. Such refusal violates the principles of:

- **Natural Justice;**
- **Fair Administrative Action;**
- **Legitimate Expectation;**
- **Participative Decision Making;**
- **Equality under Article 14 of the Constitution.**

Anomalous Situation

14. The present position creates an anomalous and inequitable situation whereby:

- IBA negotiates and finalizes policies affecting retirees.
- Member banks uniformly implement such policies.
- IBA contests legal proceedings challenging those policies.
- Yet IBA refuses to recognize retirees as stakeholders entitled to consultation.

This approach results in denial of **procedural fairness** and leaves retirees without any institutional mechanism for meaningful dialogue.

Judicial Considerations

15. The Hon'ble Court may examine:

- (a) Whether an organisation performing public functions on behalf of State-owned banks can refuse consultation with affected stakeholders.
- (b) Whether an entity substantially funded by Public Sector Banks can avoid public accountability merely because it is not registered under any law
- (c) Whether IBA's active participation in litigation concerning retirees creates a corresponding obligation to engage with recognized retiree organisations during policy formulation.
- (d) Whether the principles of fairness and legitimate expectation require structured consultation with recognized organisations representing retired employees.

Reliefs that may be considered

The Petitioners respectfully submit that the Hon'ble Court may consider issuing appropriate directions:

- (i) Declaring that IBA performs public functions in matters relating to service conditions and retirement benefits of employees of member banks.
- (ii) Directing IBA to establish a structured consultative mechanism with recognized national organisations representing bank retirees before finalizing policies affecting their retiral benefits.
- (iii) Directing Public Sector Banks to ensure that public funds contributed to IBA are utilized in a transparent and accountable manner.
- (iv) Passing such further orders as may be necessary to secure fairness, transparency and equal treatment for retired employees.

Additional legal points that can substantially strengthen the petition

1. **Article 14** – Arbitrary exclusion of retirees from consultation while including serving employees' unions in structured negotiations.
2. **Doctrine of Legitimate Expectation** – Since IBA negotiates every service condition affecting retirees, recognized retiree organisations have a legitimate expectation of being heard before decisions are taken.
3. **Public Function Test** – Even a non-statutory body is amenable to writ jurisdiction if it performs public duties or exercises public power.
4. **State Instrumentality Principles** – Given that Public Sector Banks control and fund IBA and implement its decisions, the Court may examine whether IBA is subject to constitutional obligations in relation to those public functions.
5. **Transparency and Accountability** – If IBA represents PSBs, negotiates on their behalf, and defends litigation using resources funded by PSBs, it cannot adopt inconsistent positions by claiming authority in court while denying responsibility to affected stakeholders.

With Respectful Regards,

Yours Sincerely

A handwritten signature in black ink, appearing to read 'mabas', is written over a horizontal line.

**(S. C. JAIN)
GENERAL SECRETARY**

